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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Amendment to the Commission's
Regulatory Policies Governing
Domestic Fixed Satellites and
Separate International Satellite
Systems

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IB Docket No. 95-41

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COMMENTS OF THE GUAM TELEPHONE AUTHORITY

The Guam Telephone Authority ("GTA"), by its attorneys, hereby submits its Comments in response to the Notice of Proposed Rulemaking ("NPRM") issued by the Federal Communications Commission ("FCC" or "Commission") in the above-captioned proceeding.¹ The NPRM proposes to change the Commission's regulatory treatment of U.S. licensed geostationary fixed satellites. Of particular interest to GTA are two aspects of the Commission's proposal: first, a policy permitting all U.S. satellites to provide both domestic and international service on a co-primary basis and, second, a policy permitting domestic services to be provided using INTELSAT.

INTRODUCTION

A. Status of Guam

GTA is the local exchange carrier providing telephone service on the island of Guam, a territory of the United States located in the Western Pacific about 6,000 miles

¹ Amendment to the Commission's Regulatory Policies Governing Domestic Fixed Satellites and Separate International Satellite Systems, Notice of Proposed Rulemaking, FCC 95-146, April 25, 1995.

from California and 3700 miles from Hawaii. Pursuant to the Organic Act of 1950, citizens of Guam enjoy United States citizenship.²

Guam is a United States domestic point for telecommunications purposes.³ However, until recently Guam has been served exclusively by facilities that have traditionally been considered international. Specifically, Guam is served by the INTELSAT system and by a series of submarine cables, the most recently authorized being the fiber optic network known as TPC-5, extending between the United States Mainland, Hawaii, Guam and Japan. TPC-5 is jointly owned by United States-licensed common carriers and approximately 37 foreign administrations and carriers.⁴

B. The NPRM

The NPRM proposes to eliminate distinctions between two Commission policies developed over the last decade to accommodate the introduction of competitive providers in international satellite telecommunications, the "Transborder Policy" and the "Separate Systems Policy". The NPRM was initiated in response to applications filed by two separate system licensees and one domestic licensee to be allowed to provide both domestic and international services without the restrictions that those two Policies impose on their operations.

The NPRM requests comment on the public interest implications of the elimination of the distinctions, so as to allow all U.S.-licensed satellite operators to provide both international and domestic services on a co-primary basis. The Commission also invites

² Act of August 1, 1950, 64 Stat. 384, 48 USCS § 1421 et seq.

³ See 47 U.S.C. § 153 (g); See also Third Report and Order, CC Docket No. 79-252, 48 Fed. Reg. 46,791 (October 13, 1983); IT&E Overseas, Inc and PCI Communications, Inc., 7 FCC Rcd. 4023 (1992).

⁴ See American Telephone and Telegraph Company et al., 7 FCC Rcd. 7758 (1992).

comment on the extent to which non-U.S. satellites, such as the INTELSAT satellites, should be permitted to serve the U.S. domestic market.

COMMENTS OF GTA

GTA supports the elimination of distinctions between policies so as to allow all U.S.-licensed satellites to provide both domestic and international services. As a domestic point served primarily by "international" facilities, the citizens of Guam have suffered discrimination in rates for long distance service between Guam and the Mainland. Any policy change that can bring rate integration closer to fruition for the citizens of Guam will serve the public interest.

As the Commission is aware, it was the introduction of domestic satellite service in the early 1970s which formed the catalyst for the integration of U.S. domestic offshore points, such as Hawaii, into the domestic rate pattern.⁵ Although GTA does not believe that the lack of any domestic satellite facilities serving Guam is an adequate explanation for the Commission's failure to extend the benefits of rate integration to Guam, the matter is now mooted. The Commission has already authorized one satellite service provider to offer the full range of domestic services between the Mainland and Guam⁶. The adoption of the policy changes contemplated by the NPRM will lead the way to more satellite providers offering service between Guam and the rest of the United States.

The introduction of rate integration to Guam is the subject of two recently filed Petitions for Rulemaking, one filed by the Governor of Guam on May 9, 1995 and the other filed by the JAMA Corp on May 1. GTA expects to participate in the rulemaking

⁵ Establishment of Domestic Communications Satellite Facilities, 35 FCC 2d 844 (1972), aff'd on recon., 38 FCC 2d 165 (1972), aff'd sub nom. Network Project v. FCC, 511 F.2d 786 (D.C. Cir. 1975).

⁶ Columbia Communications Corporation, 7 FCC Rcd. 6616 (1992).

which these Petitions will spark and will discuss in that context the full benefits that rate integration will bring to Guam. For the purposes of this proceeding, it suffices to say that the more satellite providers able to serve Guam, the more likely that the rates between Guam and other parts of the world will be reduced by the beneficial effects of competition. Any artificial policy distinctions, forged in a more protectionist era, that prevent the creation of additional competitors, should be eliminated.

With regard to the provision of domestic service by INTELSAT, we need not remind the Commission that INTELSAT is presently the primary provider of satellite service between Guam and the Mainland -- a "domestic" service. We see no reason why INTELSAT should not continue to provide service, even after the advent of "domestic" satellite providers, provided that INTELSAT is willing and able to compete in a fair way. Indeed, GTA welcomes any and all providers of interstate -- and international -- facilities and urges the Commission to discontinue unnecessary regulatory policies that have the effect of inhibiting the growth of competition.

CONCLUSION

For these reasons, GTA supports the adoption of the policies outlined in the NPRM.

Respectfully submitted,

GUAM TELEPHONE AUTHORITY

A handwritten signature in cursive script, appearing to read "V. Ahern", is written over a horizontal line.

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June 8, 1995

CERTIFICATE OF SERVICE

I, Gail M. Mullen, do hereby certify that a copy of the foregoing Comments of the Guam Telephone Authority, was sent by first class United States mail, postage prepaid, or by hand delivery or facsimile where indicated by an asterisk (*), this 8th day of June, 1995, to the following:

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